

NATURAL DISASTERS CAN PULL COMMUNITIES TOGETHER, BUT, UNFORTUNATELY, THEY CAN ALSO PULL IN UNSCRUPULOUS INDIVIDUALS LOOKING TO SCAM VULNERABLE CITIZENS. AS YOU REBUILD AND RECOVER, MY OFFICE WILL WORK TO PROTECT YOU FROM PRICE GOUGING AND ANY DECEPTIVE ACTS. *If you have been the victim of, or encounter price gouging or home repair scams, please call my office Toll-Free at 1-800-621-0508, or file a complaint online at [www.texasattorneygeneral.gov/cpd/file-a-consumer-complaint](http://www.texasattorneygeneral.gov/cpd/file-a-consumer-complaint).*

*Our thoughts and prayers are with you during this time of recovery. Please let us know if we can be of assistance to you.*

*Sincerely,*

*Attorney General Ken Paxton*

# TIPS TO AVOID FRAUD IN AFTERMATH OF **DISASTER**

## **PRICE GOUGING**

Some businesses raise their prices excessively on essential goods and services like drinking water, ice, groceries, fuel, towing, and car and home repairs. Charging excessive prices for necessities in an officially recognized disaster area can constitute price gouging.

Under the Texas Deceptive Trade Practices Act, price gouging is illegal, and the Office of the Attorney General has authority to prosecute any business that engages in price gouging after a disaster has been declared by the governor. The attorney general has issued stern warnings about price gouging to businesses in times of disaster, but you should still be on your guard.

If you feel that you are being unfairly charged for goods or services such as drinking water, food, towing, or any other necessity, raise the issue of price gouging with the provider. Speak to them respectfully but be frank. If you are unable to resolve the matter, file a complaint with our office.

## **DOOR-TO-DOOR REPAIR**

After natural disasters, door-to-door salespeople flock to some neighborhoods offering clean up and repair services. While many of these people are honest and reputable, some are not.

Protect yourself and your wallet from unscrupulous operators. If you are insured, call your insurance adjuster and have them make an estimate of the damage and probable repair cost. This will give you a benchmark estimate, prepared by a professional, when you negotiate with contractors.

If someone does come to your door and offers to do repairs, we suggest that you do the following:

- Get more than one estimate. Don't be pushed into signing a contract right away. Take your time.
- Check the contractor out with the Better Business Bureau. Ask if there are any complaints about the company.
- Get references from past customers and check them.
- Get the salesperson's license plate number.
- Avoid out-of-town businesses. If the repair job turns out to be substandard, this can make correcting the problem or getting your money back more difficult.
- Get everything in writing and keep a copy of all documents. The total cost, work to be done, schedule, payment terms, and other expectations should be written in specific detail. A notice of cancellation - giving you the right to change your mind within three business days - must be included if the transaction occurs at your home.



- Do not sign a contract with blanks. Unscrupulous salespeople could enter unacceptable terms later.
- Ask for proof of insurance. Make sure that the contractor has disability and workers' compensation insurance. If the contractor is not insured, you could be liable for accidents on your property.
- Never get too far ahead on the payments. Arrange for an independent agent (insurance adjuster or real estate inspector) to inspect the completed work before you make full payment. If you pay too much up front, the contractor has little incentive to return and finish the job.
- Find out in writing if the contractor or business will place a lien, security interest or mortgage on your property.
- Ask for guarantees in writing. If the contractor provides guarantees, they should be written into the contract, clearly stating what is guaranteed, who is responsible for the guarantee (the dealer, the contractor, or the manufacturer), and how long the guarantee is valid.
- Don't sign completion papers or make final payment until the work is completed to your satisfaction. A reputable contractor will not threaten you or pressure you to sign if the job is not finished properly.

In summary, be cautious and take your time. Be especially suspicious of door-to-door salespeople who make "low-ball" estimates, refuse to leave a contract overnight so you have time to review it, or try to sell their services to you by playing on your emotions.

## **CHARITIES**

In the wake of a natural disaster you may want to assist by giving to a charity that provides assistance to victims. We commend your generosity, but urge you to make sure your donations go to legitimate organizations.

It is wise to give only to charities you are already familiar with. Most reputable organizations do not directly solicit donations from individual consumers by telephone, email or door-to-door visits. Do not use links embedded in unsolicited emails to access an organization's website.

The following resources can help you research charities:

- **The BBB Wise Giving Alliance:** The Alliance issues reports on national charities when they receive questions or concerns from a charity's donors. Reports include evaluations of the charity.
- **The American Institute of Philanthropy:** The AIP is a charity watchdog who helps donors make informed choices.
- **Guidestar:** Gathers data on more than 850,000 IRS-recognized non-profits.

Similarly, be sure to vet any campaigns offered through popular crowdfunding sites. In addition to filing complaints with our office, let the fundraising platform provider know about any fraudulent or questionable campaigns using their service.

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PLEASE CALL TOLL-FREE AT**

**1-800-621-0508**

**OR FILE A COMPLAINT ONLINE AT**

**[WWW.TEXASATTORNEYGENERAL.GOV/CPD/FILE-A-CONSUMER-COMPLAINT](http://WWW.TEXASATTORNEYGENERAL.GOV/CPD/FILE-A-CONSUMER-COMPLAINT)**